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Daily Environment Report

Afternoon Briefing - Your Preview of Today's News

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Trump Nominees Accept Global Warming—but Only to a Degree

Posted January 19, 2017, 7:29 A.M. ET

By Jennifer A. Dlouhy and Ari Natter

The incoming Trump administration is defying long-held Republican orthodoxy on climate change, saying humans are having an effect on the Earth's temperatures.

But just how much of an effect, they said, is up for debate.

In confirmation hearings this week President-elect Donald Trump's nominees for key energy and environmental posts rejected the idea that global warming is a hoax perpetuated by the Chinese, as Trump once claimed.

"I do not believe that climate change is a hoax," Ryan Zinke, the choice for Interior Secretary, told a Senate committee Jan. 17. A day later, Scott Pruitt, Trump's pick to head the Environmental Protection Agency, testified that "Science tells us the climate is changing and human activity, in some manner, impacts that change."

The responses, which deviated from what they've said in the past, undercut accusations from environmental groups that the men are "climate deniers." But critics said the new formulation may just be another way for Republicans to avoid pursuing policies to curb the use of fossil fuels blamed for climate change. With the cause and impact still unclear, the urgency to take action—be it switching from coal-fired power plants to solar panels or to force automobile efficiency—diminishes.

"It's just another way for them to try and stand in the way of progress," said Tiernan Sittenfeld, senior vice president for government affairs at the League of Conservation Voters. "It's settled science that climate change is happening and that humans are responsible, and that it is having devastating impacts."

No Scientist

In recent years, Republican lawmakers have gone from denying that global temperatures are rising to saying they couldn't have a position on the issue, because, "I am not a scientist." Others have said the Earth's climate is always changing, but humans weren't the cause. Democratic senators have pressed Trump's picks on climate change, forcing them to respond to the president-elect's 2012 tweet asserting that "the concept of global warming was created by and for the Chinese."

Pruitt rejected that, saying humans were responsible for warming. But, he added, "The ability to measure the precision, degree and extent of the impact, and what to do about that are subject to continued debate and dialogue."

Rick Perry, the nominee to head the Energy Department, is scheduled to testify before the Senate energy committee today.

The shift in tone reflects the reality on the ground, so to speak. Last year was the hottest on the record, the third consecutive record year, according to National Oceanic and Atmospheric Administration figures released Jan. 18. Scientists said they aren't debating what's causing the increase. "It is warming because we are not reducing the amounts of greenhouse gases by the amounts we need to," said Gavin Schmidt, director of NASA's Goddard Institute for Space Studies.

Similarly, public opinion has shifted. Concern about global warming rose to its highest level since 2008 last year, with 64 percent of those surveyed by Gallup saying they worry about it a great deal. And a growing number of those surveyed say human activity—not natural causes—is the reason for the warming, the [poll](#) found.

"Their new approach to changing the conversation about climate change, by questioning the magnitude of impacts, is savvy in that it reinforces a widely held public misunderstanding," Edward Maibach, director of the Center for Climate Change Communication at George Mason University, said in an e-mail. "It's wrong and it's very dangerous, but it is savvy from a communication perspective."

Exxon's Defense

As the Oklahoma attorney general, Pruitt signed on to a lawsuit that challenged the finding from the EPA that greenhouse gas emissions posed a risk to human health and welfare. And, [in a National Review piece](#) last year, he took aim at other state attorneys general who were investigating Exxon Mobil Corp. over its anti-climate advocacy.

"Scientists continue to disagree about the degree and extent of global warming and its connection to the actions of mankind," he and Luther Strange, the Alabama attorney general, wrote at the time.

Perry also has denied that climate change is occurring and has labeled global warming as "hysteria." "The idea that we would put Americans' economy in jeopardy based on scientific theory that's not settled yet is nonsense," he said in debate [remarks](#) while running for president in 2011.

Zinke, a Montana Republican congressman, has completed a rare double flip. In 2010 the retired Navy SEAL and geologist signed a letter to President Barack Obama advocating for "comprehensive clean energy jobs and climate legislation," according to an article in the Bozeman Daily Chronicle in 2014. But he said then that there was no evidence climate change is changing the weather, the newspaper reported.

"The climate is changing; that's indisputable," Zinke told the Senate Energy and Natural Resources Committee this week. But, he said, there is debate about "what that influence is and what can we do

about it.”

Sanders’ Question

And it’s here that the real issue remains. Bernie Sanders, a Vermont independent, said Jan. 18 that to address climate change a fundamental overhaul of the U.S. energy system was needed, and asked Pruitt if he agreed.

“I believe the EPA has a very important role at regulating the emissions of CO₂,” Pruitt responded.

Pruitt said he still opposes the Obama administration’s Clean Power Plan, the primary regulation issued to reduce carbon emissions. But he signaled that he no longer opposes the agency’s endangerment finding. It’s because of that finding that the EPA is obligated to regulate greenhouse gases. Other members of Trump’s transition team have called for scrapping it.

Similarly, Rex Tillerson, the pick to be secretary of state, told the Senate Foreign Relations Committee last week that he supports the Paris climate accord, but would leave it to Trump to decide if the U.S. will remain a part of it.

“Climate change does exist,” Tillerson, a former chairman of Exxon Mobil Corp., said Jan. 11. “The increase in greenhouse gas concentrations in the atmosphere are having an effect. Our ability to predict that effect is very limited.”

The nominees are trying to “avoid the outright ‘climate denier’ label by vaguely admitting that warming is occurring and may have something do to with emissions,” said Paul Bledsoe, a former climate adviser in the Clinton administration. “This is known as a ‘non-denial denial,’ a rhetorical strategy harkening back to the Watergate era, but it doesn’t seem to be fooling anyone.”

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Chemical Law Is Priority, Says Trump’s EPA Pick

Posted January 19, 2017, 02:17 P.M. ET

By [Pat Rizzuto](#)

Implementing the amended Toxic Substances Control Act is absolutely a priority, Scott Pruitt, President-elect Trump’s pick to run the Environmental Protection Agency testified Jan. 18.

The EPA also must make managing certain chemicals, such as perfluorooctanoic acid (PFOA), a priority, Pruitt told the Senate Environment and Public Works Committee during his nomination hearing.

Committee chairman Sen. John Barrasso (R-Wyo.) and Sen. Shelley Moore Capito (R-W.Va.) were among the senators who asked Pruitt about TSCA implementation during his nomination hearing.

Pruitt told Capito that TSCA implementation would “absolutely” be a priority.

Core TSCA Rules

He later listed core, or “framework,” regulations the amended chemicals law required.

Issuing those mid-year, as the statute requires, should be the next EPA administrator's priority, Pruitt said.

Amended TSCA requires the EPA to issue three fundamental implementation rules by June. The rules would establish procedures the EPA would use to:

- update the TSCA inventory so it distinguishes between chemicals that have been made, sold or used during the last 10 years and chemicals that have been in commerce, but now aren't;
- review the chemicals in commerce and determine which need to have potential risks from their health effects and exposures evaluated; and
- evaluate those risks.

A fourth core regulation, referred to as the fee rule, would establish the fees chemical manufacturers and processors would pay to help the EPA recoup its chemical oversight costs.

The fee rule does not have a statutory deadline, but the EPA needs the revenue the rule would generate to carry out the law's mandates.

'Teflon' Chemical in Drinking Water

Sen. Kirsten Gillibrand (D-N.Y.) said she's concerned about perfluorooctanoic acid that is contaminating her state's drinking water supplies.

PFOA should be tested under the chemicals law, she said.

"If it is a carcinogen as many scientists say it is, it needs to be banned," Gillibrand said.

Perfluorooctanoic acid has been phased out of U.S. production, but can still be imported. For decades, it was used to make other chemicals that go into cookware, cables, textiles and other products with stick-, stain- and heat-resistant properties.

PFOA also remains in the environment as related chemicals break down to it. DuPont's former use of PFOA to make other chemicals, which in turn were used to manufacture Teflon and other nonstick cookware has led to the chemical being dubbed the "Teflon" chemical.

New York, New Jersey, California, Minnesota, Ohio and West Virginia are just a few states where the local officials have detected the chemical in drinking water supplies.

Pruitt said PFOA needs to be addressed quickly whether under TSCA or the Safe Drinking Water Act.

Perry Says He Regrets Calling for Closing the Energy Department

Posted January 19, 2017, 8:42 A.M. ET

By Ari Natter

Donald Trump's choice for Energy secretary plans to tout his home state's wind-energy boom and

apologize for calling for the shuttering of the department he is now being asked to lead, according to excerpts from his written testimony.

Rick Perry, the former governor of Texas, will tell the Senate Energy and Natural Resources Committee today that it's no longer his "current thinking" that the Energy Department should be eliminated. He famously advocated that during his 2011 failed presidential bid, but then couldn't recall the name during a debate.

"After being briefed on so many of the vital functions of the Department of Energy, I regret recommending its elimination," Perry will say.

Perry, 66, said he will advocate and promote American energy in all forms, including renewable energy. While he was governor, Texas took the national lead in wind development and now has more than 18,000 megawatts of wind capacity, according to the American Wind Energy Association. That's up from 210 megawatts when he took office in 2000.

Perry also vowed to support sound science and long-term scientific research. That includes into climate change.

"I believe the climate is changing," he will say. "I believe some of it is naturally occurring, but some of it is also caused by man-made activity. The question is how do we address it in a thoughtful way that doesn't compromise economic growth, the affordability of energy, or American jobs."

Climate 'Hysteria'

In his 2010 book, Perry accused scientists of manipulating climate change data and called global warming "hysteria." "The idea that we would put Americans' economy in jeopardy based on scientific theory that's not settled yet is nonsense," he said in debate [remarks](#) while running for president in 2011.

"When it comes to climate change, I am committed to making decisions based on sound science and that also take into account the economic impact," Perry plans to say.

If confirmed, he will oversee a disparate agency with an annual budget of around \$30 billion. Its work ranges from nuclear weapons safeguarding to the research into carbon-capture technology to maintaining the Strategic Petroleum Reserve.

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Perry Vows to Defend Energy Dept. Research, Loan Programs

Posted January 19, 2017, 03:27 P.M. ET

By [Ari Natter](#)

Donald Trump's pick for Energy secretary vowed to defend that department's research into efficiency and carbon capture technology, while also apologizing for his previous call to shutter the entire agency.

Rick Perry, Trump's choice to lead the Energy Department, said he supported the department's broad research programs and its loan guarantees for innovative technologies. He also disavowed a

questionnaire sent by Trump's team demanding a list of staff members working on climate change programs.

"I'm a big believer that we have a role to play, both in basic research, obviously, but also in that applied research—to bring new technologies, new commercialization, new economic development opportunities to this country," Perry told the Senate Energy and Natural Resources Committee. "I will be an advocate," he said, noting he has a background of "defending budgets."

In his confirmation hearing Jan. 19, Perry became the fourth potential Cabinet member to back off from pledges from Trump or his advisers to radically revamp the government's role in the sector. Members of the transition team have called for selling off federal lands to energy developers, ditching the legal basis for regulating carbon dioxide and axing government loans for advanced energy projects.

In succession this week those positions changed. Ryan Zinke, the Interior secretary pick, said public lands should remain that way. Scott Pruitt, tapped to head the Environmental Protection Agency, said the agency's so-called endangerment finding should stay in place. And now Perry said government research and loan guarantee programs are needed. During the campaign, Trump pledged to scrap the Paris climate accord, but Secretary of State pick Rex Tillerson said he supported the deal.

Renewables Research?

Perry, 66, said he had no information about a report in The Hill newspaper, which said the Trump transition team was considering axing multiple Department of Energy research agencies devoted to renewables, energy efficiency and the capture of emissions from coal. Those cuts are part of a larger budget plan to cut federal spending by \$10.5 trillion over 10 years, it reported.

"You are really going to have to do some hard pushing back on this," Sen. Angus King, a Maine independent, said, characterizing the cuts as "nuts."

Perry also disavowed a controversial questionnaire on climate and other issues sent by Trump's transition team last month that sought the names of agency employees who attended United Nation's climate meetings and those who helped the Obama administration develop metrics used to estimate and justify the climate benefits of new rules.

Controversial Questionnaire

"I don't want that information. I didn't approve it. I don't approve of it," Perry said during a hearing that was marked by many lighthearted moments even as Democrats pressed him on various positions either he or Trump's other advisers have taken.

Perry, the former governor of Texas, said that it's no longer his "current thinking" that the Energy Department should be eliminated. He famously advocated that during his 2011 failed presidential bid, but then couldn't recall which department he wanted to ax during a debate.

"After being briefed on so many of the vital functions of the Department of Energy, I regret recommending its elimination," Perry said.

Wind Supporter

Perry says he will advocate and promote American energy in all forms, including renewable energy.

While he was governor, Texas took the national lead in wind development and now has more than 18,000 megawatts of wind capacity, according to the American Wind Energy Association. That's up from 210 megawatts when he took office in 2000.

AWEA sent a letter to senators in support of his nomination.

Some Democrats say Perry's muddled idea to shutter the department responsible for guaranteeing the security of the U.S. nuclear portfolio raise questions about his fitness for the job.

"In case you may have forgotten, you once called for the abolishment of this agency. I suspect that now having had a chance to learn about the importance of this department, you have a very different opinion," Maria Cantwell, the panel's top Democrat, said in her opening remarks. Cantwell said she was also concerned about Perry's comments doubting the science of climate change.

But Perry vowed to support sound science, and long-term scientific research. That includes into climate change, he said.

"I believe the climate is changing," he said. "I believe some of it is naturally occurring, but some of it is caused by man-made activity. The question is how do we address it in a thoughtful way that doesn't compromise economic growth, effect affordability of energy, or American jobs."

Climate 'Hysteria'

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"When it comes to climate change, I am committed to making decisions based on sound science and that also take into account the economic impact," Perry said.

He further promised to protect climate scientists from attacks.

"I am going to protect the men and women of the scientific community from anyone who would attack them, no matter what their reason may be," he said.

If confirmed, Perry will oversee a disparate agency with an annual budget of around \$30 billion. It's work ranges from nuclear weapons safeguarding to maintaining the Strategic Petroleum Reserve.

—With assistance from Jennifer A. Dlouhy and Rebecca Kern.

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West Coast Climate Hawks to Push Back Against Trump

Posted January 19, 2017, 01:55 P.M. ET

By [Paul Shukovsky](#) and [Carolyn Whetzel](#)

Companies hoping for less rigorous regulatory review under the Trump administration will likely be disappointed on the West Coast where Democrat-dominated governments, tribes and

environmental activists are prepared to push back using a broad range of authorities.

Local governments in Portland and a Washington county on the border of Canada are using their land-use and zoning authority to stop fossil-fuel export projects.

Last year in California, the city of Benicia and San Luis Obispo County rejected crude-by-rail projects and Oakland blocked a proposed coal export terminal at its port. Other cities and counties in the state have ordinances, either adopted by governing bodies or passed by voters, limiting or barring certain oil and gas activities, including hydraulic fracturing.

Native American tribes in Washington and Oregon are using their treaty fishing rights to stop coal and oil from being shipped on waters that comprise their fisheries.

Successful, local battles like these have become a tool for communities and states to pursue climate goals, even if President-elect Donald Trump does nothing to address global warming.

“Local decision making is A: legal, B: entirely appropriate, and C: of increasing importance if the Trump administration follows this hoax-in-China philosophy,” Washington Gov. Jay Inslee (D) told Bloomberg BNA in a Jan. 5 interview in his office.

Requests for comment from the Trump transition team were not returned.

Portland Bans Fossil Fuel Terminals

Portland’s politically progressive City Council used its zoning authority Dec. 14 to ban new fossil fuel terminals over two million gallons, specifically declaring in the ordinance that the fuels are major contributors to climate change.

The move likely eliminates Oregon’s largest seaport as a gateway for the export to Asia of Bakken crude as well as any moves to increase capacity at existing petroleum terminals there including BP West Coast, Chevron, Phillips 66, Equilon/Shell and Kinder Morgan.

“There is strong interest in a green wall of progressive policy along the West Coast that says we are still serious about climate action; we’re still committed to a low-carbon future; and we’re not interested in moving fossil fuel to world markets through our cities exacerbating the problem that we are all working locally to solve,” Portland Mayor Charlie Hales told Bloomberg BNA in a telephone interview just before leaving office Dec. 31.

Hales said there were “no caution flags from our city attorneys about this. One of the fundamental authorities of cities is our zoning codes. It’s a bedrock power of local government to zone.”

Citizens and voters up and down the West Coast want their leaders to focus on climate change, Hales said. The vote was intended to map the path for other cities to take action on climate change “in ways that are completely within the authorities of local government. Everybody has got a zoning code.”

California Law, Ballot Box as Tools

In California, environmental advocates, tribes and others routinely use the California Environmental Quality Act to block power plants, refinery upgrades, warehousing projects and other developments they allege will increase greenhouse gas emissions. CEQA provisions require project environmental

reviews, alternative assessments and mitigation measures. But, the act also includes public participation in the decision making process. Any legal challenge filed typically follows approval of a project by land use or permitting authority. If successful, the litigation could derail a project or force project changes to reduce climate impacts.

It was widespread public opposition to the crude-by-rail facilities in Benicia and San Luis Obispo County and Oakland coal terminal that prompted local officials to reject those projects. Concerns about the safety of moving crude by rail helped defeat the proposed projects. Anti-fossil fuel groups also have worked with community groups to win voter initiatives to block expansion of oil and gas activities in California.

‘Tribes Lead the Fight’

In Washington, a juggernaut of grassroots opposition to what would have been the largest coal export facility in North America focused on rejecting the Gateway Pacific Terminal through both the state and federal [environmental-impact-statement](#) process. But it was an Indian tribe, the [Lummi Nation](#), using its treaty-protected fishing rights that ultimately derailed it. The proposed terminal—located a few miles south of Washington’s border with Canada on the waters of the state-owned [Cherry Point Aquatic Reserve](#)—would annually ship to Asia up to 52.9 million tons of coal mined largely from federal lands in the Powder River Basin. SSA Marine, a global terminal and stevedoring company, holds 51 percent of the project shares, and Cloud Peak Energy Inc. owns 49 percent. Berkshire Hathaway Inc.’s BNSF Railway Co. planned haul coal to the terminal from the northern Rocky Mountains.

Col. John Buck, Seattle district commander of the U.S. Army Corps of Engineers, said in a May 2016 press briefing that a large wharf and a trestle structure at the proposed terminal would interfere with the Lummi fishery. “The corps may not permit a project that abrogates treaty rights,” he said. “Only Congress has that right.”

Lummi Nation Chairman Tim Ballew II responded to the victory in May with this statement: “As tribes across the United States face pressures from development and resource extraction, we’ll continue to see tribes lead the fight to defend their treaty rights, and protect and manage their lands and waters for future generations.”

‘We’re Following the Law’

On the Columbia River near Longview, Wash., is the site of another proposed coal export facility called the Millennium Bulk Terminals that has inherited Gateway’s mantle as the largest such facility on the continent.

Lighthouse Resources Inc. owns the project, having acquired Arch Coal’s 38 percent interest in Millennium in 2016. Arch in exchange got long-term throughput rights.

Inslee administration officials in the state’s Department of Ecology had planned to conduct a joint [environmental impact statement](#) with the corps on Millennium. But the two agencies parted ways when it became clear that the corps planned to analyze only very local impacts while the state planned a much broader analysis based on its reading of the State Environmental Policy Act.

In a decisive split with federal regulators, state officials conducted a broadly scoped environmental analysis of cumulative and indirect impacts of a proposed coal export facility—including greenhouse gas emissions from combustion of U.S. coal in Asia. The final EIS from both the corps and the state are pending.

“When coal is burned, it doesn’t matter if it’s burned in Korea or China or Indonesia, that CO2 acidifies my home waters,” Governor Inslee said of the decision by his administration to evaluate the terminal using a much broader scope than the feds. “So we’re following the law, which is to give citizens in the EIS process knowledge about what will happen if we in fact do this. I believe it is a legal thing to do and I also think it is the right thing to do from the policy perspective given the damage that my state is undergoing right now.”

Another Way to Say No

With the state’s final EIS pending for Millennium, Inslee declined to discuss how his administration would rule on the state permits. But if he planned to say no to Millennium, another state-wide elected official beat him to the punch Jan. 3.

Washington Commissioner of Public Lands Peter Goldmark (D) moved Jan. 3 to block Millennium’s access to the river by rejecting the terminal’s sublease of state-owned aquatic lands. The project relies on the construction of two docks on the Columbia.

Millennium would move up to 48.5 million tons a year. And if Gateway remains in its moribund state, it is the last hope in the near-term for a Northwest terminal allowing for export of U.S. coal from the Powder River Basin in Wyoming and Montana and the Uinta Basin in Utah and Colorado to markets such as South Korea, Japan and Taiwan.

From Goldmark’s perspective, his decision kills the Millennium project, though Millennium Chief Executive Officer and President Bill Chapman said in the Jan. 3 release that Goldmark’s decision “has no effect on the project moving forward.”

Goldmark, who did not run for re-election, is succeeded in January by Hilary Franz (D), an environmental attorney with broad support from conservation groups.

‘The Right Thing to Do’

Goldmark, who as lands commissioner was also the chief of the state’s Department of Natural Resources, did not stop with his Jan. 3 decision to kill the proposed coal export terminal on the Columbia River. He also sought on the same day to put another nail into the coffin of the Gateway Pacific Terminal by ruling that the Cherry Point Aquatic Reserve will be expanded to include a 45-acre cutout that had been put in place to accommodate Gateway’s proposed pier.

“Any projects proposed in the future for this site would have to be compatible with DNR’s 2010 Cherry Point Aquatic Reserve management plan, which precludes activities likely to have detrimental impacts on the aquatic reserve,” Goldmark’s statement says.

“I don’t want to say anything is permanent,” Goldmark told Bloomberg BNA in a Jan. 4 interview. “But my action yesterday is the right thing to do for the health of Puget Sound given the Lummi’s treaty rights and given the fact that we have to continually work to provide more habitat for species that are endangered.”

Goldmark’s ruling on Cherry Point takes on added significance in that it would make it more difficult for any port project to get approval, including if the Gateway terminal developers prevail in an appeal or resubmit a modified proposal.

Precluding Piers

Whatcom County, home of the Gateway terminal site at Cherry Point, is considering using legal authorities similar to those deployed in Portland to further preclude the Gateway terminal developer or any other fossil fuel facility from siting there.

“It’s one of the last deep-water ports left undeveloped on the West Coast of the U.S., so it’s a target zone” for potential use as a oil export terminal, Whatcom County Council member Carl Weimer told Bloomberg BNA in a Dec. 22 interview. Weimer has proposed amendments to the county comprehensive land use plan that would prohibit adding any more industrial docks at Cherry Point.

Governors Committed to Action

Inslee and the governors of California and Oregon have repeatedly said the outcome of the Nov. 8 election and Republican led congressional efforts to rollback federal climate policies will not deter their efforts to build sustainable, low-carbon economies.

At the state level, all three governors are pursuing climate policies.

Inslee’s budget calls for levying a new tax on carbon pollution. The Republican-controlled State Senate is likely to block the tax. The governor, however, has some big time bargaining chips, including major water infrastructure projects in Republican-dominated portions of the state that the tax would fund.

Washington’s governor has also issued executive actions, such as as a Clean Air Rule that requires the state’s largest greenhouse gas emitters to cap and gradually reduce their emissions.

Oregon is moving toward implementation of a low-carbon fuel standard similar to California’s rules. It calls for importers of transportation fuels to cut average carbon intensity of fuels 10 percent by 2025. Under the standard, providers of clean fuels, like biodiesel, can generate and sell credits to importers. Oregon, which has no refineries, imports fuel from Washington, Utah and California.

California to do ‘More’

California Gov. Jerry Brown (D) has no plans to back away from his ambitious climate agenda.

“We’re going to continue our efforts, do what we’re doing and do more,” Brown said at a Jan. 10 press briefing on his proposed budget.

The spending plan includes \$2 billion in the greenhouse gas emissions reduction fund used for a variety of projects. State law requires 25 percent of the money be spent in disadvantaged communities, but Brown’s appropriation relies on passage of legislation to extend the economy-wide greenhouse gas emissions cap-and-trade program beyond 2020.

The California Air Resources Board is set to release any day a draft strategy to reduce carbon emissions to 40 percent below 1990 levels by 2030; a target included in a bill, S.B. 32, which Brown signed into law last year.

Already on track to achieve its goal to cut emissions to 1990 levels by 2020, CARB’s plan—as previewed in workshops—charts a preferred path of extending the carbon trading program and other existing climate rules. The strategy also relies on the state reaching 50 percent renewable energy by 2030, energy efficiency programs and a suite of new measures including rules targeting

methane, black carbon, tougher refinery rules and a stricter low carbon fuel standard.

Key to meeting the 2030 carbon emissions goal and even the state's long term target—80 percent below 1990 levels by 2050—is the electrification of the transportation sector, CARB Chairman Mary D. Nichols has said. Transportation is the state's largest source of source carbon emissions.

Clean Air Waivers Important

Transformation of the vehicle fleets requires California to have Clean Air Act waivers from the Environmental Protection Agency to enact stricter than federal requirements.

At a confirmation hearing Jan. 18, Trump's nominee to head the EPA, Scott Pruitt, would not commit to providing those waivers despite prior comments that state's have the right to make their own decisions on how to comply with federal law.

"California will continue to lead the world in addressing climate change and advancing clean energy regardless of who is in the White House or at the EPA," California State Senate President pro Tempore Kevin de Leon (D) said in a written statement. "Mr. Pruitt should get used to that and not try to impose his Oklahoma views on the Golden State."

The state's legislative leaders hired former U.S. Attorney General Eric Holder, now at Covington & Burling LLP, to advise on any potential changes in federal law that could impact the state's policies.

California sued the second Bush administration after it refused to provide a waiver for its first round of vehicle related greenhouse gas emissions standards. The state dropped the lawsuit after President Obama took office and adopted national vehicle fuel economy and emissions standards that aligned with California.

Federal Lands

How the Trump administration handles timber harvesting in national forests and decisions involving renewable energy and oil and gas development on federal lands has implications for California and other the western states, Richard M. Frank, director of the California Environmental Law and Policy Center at the University of California at Davis law school, told Bloomberg BNA Jan. 12.

"That's where the Trump administration can have an impact on more than the regulatory side," Frank said. The federal government also has exclusive authority over offshore oil development, outside of the state's three mile coastal boundary, he said.

California will work with other cities, states and jurisdictions through the Under2 Coalition, the state and Baden-Wurtemberg, Germany formed to fight climate change, Brown said at Jan. 10 press event in Sacramento. At least 165 jurisdictions (cities, states, provinces and countries), including Oregon and Washington, around the globe have joined the coalition and committed to reduce greenhouse gas emissions.

"We're looking to the rest of the world to join the coalition," Brown said. "The science is not going to change."

"I'm very optimistic that what's going on in Washington is just a pause," he said. "Whatever happens we're going to deal with it."

Builders Troubled by Shared Liability in EPA Stormwater Permit

Posted January 19, 2017, 01:39 P.M. ET

By Amena H. Saiyid

Multiple builders and developers at a single construction site will share liability for stormwater controls even if an individual builder isn't responsible for runoff violations under a revised general stormwater permit that the Environmental Protection Agency published Jan. 19.

The EPA included this "controversial" shared liability language in the final 2017 construction general permit despite protests raised by the National Association of Home Builders and the Associated General Contractors of America.

"This type of liability framework is both illegal and unworkable in the field, since operators often work on a site at different times, and cannot legally or physically control the activities of others," Eva Birk, the association's environmental policy program manager, told Bloomberg BNA in a Jan. 18 e-mail.

The five-year, construction general permit to control stormwater runoff will take effect Feb. 16 when the current permit expires, according to the Federal Register notice (82 Fed. Reg. 6,534). Issued under the Clean Water Act's National Pollutant Discharge Elimination System, the permit authorizes stormwater runoff from construction activities on sites that are at least one acre in size, or or less than one acre within a larger common plan of development.

Developers and builders seeking coverage under this permit must comply with technology-based effluent guidelines, and write and implement a stormwater pollution-prevention plan (SWPP). Multiple operators of a single site are required to have individual permits and share responsibility for compliance.

'Jointly and Severally' Liable

The EPA removed the requirement that a joint stormwater plan is written for a site that has more than one developer or builder. Rather, the agency decreed that "all operators would be jointly and severally liable for compliance with the permit" whether they wrote a group stormwater prevention plan or individual plans spelling out responsibilities for controlling stormwater runoff at a construction site. The violations would arise from the failure to properly install, operate and maintain shared stormwater controls.

The home builders association said the liability language will have devastating effects for single-family home builders "since even the smallest of sites could be at risk for neighboring Clean Water Act violations ringing in at over \$50,000/day, regardless of whether the operator is in compliance with all permit terms within their property limits."

Birk said the association hasn't ruled out the possibility of challenging the permit and is "looking at all available options." The EPA construction general permit is only applicable in New Mexico, Idaho, Massachusetts, New Hampshire and other limited jurisdictions where the EPA is the permitting authority, but it serves as a model or floor for states that are delegated to write their own permits for construction sites.

Hazardous Waste Generates \$1.4M Fine for Phosphate Maker

Posted January 19, 2017, 11:26 A.M. ET

By Sylvia Carignan

Innophos Holdings Inc., a phosphate producer, will pay \$1.4 million for sending its hazardous waste to an unqualified facility and \$16 million more to build an alternative.

The Environmental Protection Agency and Louisiana Department of Environmental Quality penalized the company for violating the Resource Conservation and Recovery Act.

They allege that from 2004 to 2012, Innophos sent hazardous waste from its Geismar, La., factory to an in-state phosphoric acid facility, which didn't have the appropriate permits to accept the waste.

The EPA and Louisiana also allege that Innophos sent another type of hazardous waste to the facility from 2004 until 2017.

The Department of Justice opened the consent decree with Innophos for public comment Jan. 19. The settlement was announced Jan. 12.

In a news release, Innophos said it will pursue permits to construct deep wells, where the waste will instead be injected.

The company expects the deep well injection system to cost about \$16 million.

Half of the company's \$1.4 million noncompliance penalty will go to the U.S., and the rest will go to the state of Louisiana.

EPA Delays Another Utility Emissions Decision Until August

Posted January 19, 2017, 01:04 P.M. ET

By Patrick Ambrosio

The incoming Trump administration is scheduled to make decisions on six different state requests to further control power section emissions by August after the Environmental Protection Agency extended its period for reviewing a petition from Delaware.

The EPA, in a notice scheduled for publication Jan. 23, announced it is extending its deadline until Aug. 3 to respond to Delaware's request on emissions from the Conemaugh Generating Station, a coal-fired power plant located east of Pittsburgh. Delaware wants the EPA to make a finding that emissions from the plant are interfering with the state's ability to meet the 2008 and 2015 national ozone standards, which would trigger an obligation that the plant meet agency-set emissions limits.

The petition on Conemaugh is one of four pending petitions filed by Delaware under Section 126 of the Clean Air Act, to which states in the mid-Atlantic and Northeast have turned in an attempt to address emissions of ozone precursors from power plants in other states. The EPA also has yet to respond from Section 126 petitions filed by Connecticut and Maryland.

The decision to delay a decision on Delaware's petition came one day after the EPA proposed to reject a request from several states to impose additional pollution control and planning requirements on nine more states by expanding the Ozone Transport Region, which currently runs down the Eastern Seaboard from Maine to Washington. The EPA's proposal cited the availability of more

effective tools, including Section 126 petitions, to address ozone precursor emissions that cross state lines.

Ali Mirzakhilili, director of the Air Quality Division at the Delaware Department of Natural Resources and Environmental Control, criticized the EPA's decision to point to Section 126 as a tool for states to address transport while also delaying action on state requests under that section of the Clean Air Act.

"Pointing out to that provision as a solution is awfully disingenuous," Mirzakhilili told Bloomberg BNA Jan. 18.

The EPA said it needs more time to complete an in-depth review of the technical information on emissions from the Conemaugh plant and Delaware's air quality, develop a proposal and provide adequate time for public comment before issuing a final decision.

Schedule for EPA Action

The Obama EPA has now set the following schedule for the Trump administration to decide on state requests:

- Jan. 25 — a Connecticut petition on Talen Energy's Brunner Island Steam Electric Station in Pennsylvania's York County;
- March 5 — a Delaware petition on Brunner Island;
- April 7 — a Delaware petition on Harrison Power Station, a West Virginia coal-fired plant owned by FirstEnergy Corp.;
- July 9 — a Delaware petition on Homer City Generating Station, a Pennsylvania coal-fired power plant operated by NRG Energy Services;
- July 15 — a Maryland petition on 36 power plants in five upwind states; and
- Aug. 3 — Delaware's petition on the Conemaugh power plant.

Perry: DOE Has 'Massive Role' in Stopping Cyber Attacks

Posted January 19, 2017, 11:40 A.M. ET

By [Rebecca Kern](#)

Energy Secretary nominee Rick Perry said the Energy Department has a "massive role" to play in preventing cyber attacks on the U.S. electric grid.

The agency "will allow me to go to a new level of engagement" to find the ways to protect our country, Perry said at his Senate Energy and Natural Resources Committee confirmation hearing today in response to questions from Sen. Maria Cantwell (D-Wash.), the committee's ranking member.

Perry said he would work across agencies to address cyber attacks, including with the Department of Defense's Defense Advanced Research Projects Agency and the DOE's Advanced Research Projects Agency-Energy.

“I feel very strongly that we have within our scientific laboratories, within our private sector operations, and within the fertile minds of the Department of Energy the technology and the ability to stop the cyber snooping or the intentions to do harm to Americans by penetrating into our electric grid,” he said.

Perry also vowed to protect all scientists at the Energy Department from any attacks on climate science. He made those remarks in responding to Cantwell’s questions about a memo from President-elect Donald Trump’s transition team to the Energy Department targeting climate scientists at the agency.

“I am going to protect the men and women of the scientific community from anyone who would attack them, no matter what their reason may be,” he said.

Kinder Morgan Gas Pipelines Are Investigated Over Rates

Posted January 19, 2017, 02:42 P.M. ET

By Jonathan N. Crawford

Two Kinder Morgan Inc. interstate natural gas pipelines are facing a probe from U.S. energy regulators over whether they overcharged customers.

The investigation will determine whether Natural Gas Pipeline Company of America LLC and Wyoming Interstate Company LLC “may be substantially over-recovering their costs,” according to a statement from the Federal Energy Regulatory Commission on Jan. 19.

The inquiry comes as the agency under Chairman Norman Bay has sought to crack down on market misconduct and fraud in the power and natural gas markets. The commission announced a probe of four other interstate gas pipelines in January last year.

NGPL owns one of the largest interstate pipeline systems in the country with about 9,200 miles of pipeline. Kinder Morgan owns 50 percent of the company and operates the system. Wyoming Interstate, which is wholly owned by Kinder, has about 850 miles of pipeline.

The commission reviewed cost and revenue information provided by the companies for 2014 and 2015 and said it’s concerned that their level of earnings may exceed their actual cost of service, including a reasonable return on equity. It directed them to provide data for the latest 12-month period within 75 days.

Kinder said in a statement that it expects the evidence to show that the rates charged by both companies “have been and continue to be just and reasonable.”

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Politics Bleed Into U.S. Briefing on World’s Warmest Year Ever

Posted January 19, 2017, 7:38 A.M. ET

By Brian K. Sullivan

Some of the U.S. government's top climate scientists held a call Jan. 18 to discuss how global temperatures keep rising.

In many ways, it was the same call that NASA and the National Oceanic and Atmospheric Administration have routinely held for years. They confirmed that, for the third year in row, temperatures set a record high in 2016. They repeated the usual data pointing to anthropogenic carbon emissions as the culprit. That's where the state of politics began seeping into the conversation.

On Jan. 20, a president will take office who has questioned whether climate change exists. Donald Trump's Cabinet picks have taken a softer stance of late. Scott Pruitt, his nominee for the Environmental Protection Agency, told Congress that, while the climate may be changing, the extent of its impact is still up for debate. The administration's uncertain position is clouding the future of environmental research that the agencies involved in the Jan. 18 call have spent years carrying out.

For their part, NOAA and NASA steered clear of the politics. When asked whether there was a message Trump could take away from their data, NOAA climate researcher Deke Arndt responded by saying their assessments were "for the benefit of the American people. Our mission is strictly to describe the state of the climate and our methods on how we got there."

The same question was posed to Gavin Schmidt, director of NASA's Goddard Institute for Space Studies. After an eight-second pause, Arndt repeated his remarks. And then NOAA spokesman Brady Phillips reminded reporters on the call: "We are sticking to the science."

The agencies' confirmation that 2016 was the world's hottest year yet comes at a signature moment for President Barack Obama's battle against climate change. His outgoing administration defied automakers Jan. 13 in preserving vehicle efficiency standards. Last month, it banned new offshore drilling in parts of the U.S. Arctic and released a stream-protection rule that could be fatal for one style of underground coal mining. It's still fighting in court to keep a plan to cut power-plant emissions alive.

They're the type of regulations that have played right into the Trump team's line on protecting U.S. industry from "job-killing" policies that hurt the nation's competitiveness. Trump has vowed to roll back key environmental rules imposed by the Obama administration, including his Clean Power Plan.

In an interview before the Jan. 18 climate call, NASA's Schmidt said both his agency and NOAA report to the executive branch of the U.S. government. He said he'd keep researching climate until someone decided "we should be doing different things with our time."

"The scientists that work both at NOAA and NASA are professionals," he said, "who will do their jobs with integrity at all times."

—With assistance from Jennifer A. Dlouhy.

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Trump Trade Tantrum Fear Puts U.S. Shale in Korea Spotlight

Posted January 19, 2017, 7:48 A.M. ET

By Heesu Lee, Jiyeun Lee and Dan Murtaugh

South Korea is looking at the energy sector to rebalance its trading relationship with the U.S. and deflect President-elect Donald Trump's protectionist rhetoric.

The sixth-largest exporter of goods to the U.S. wants to reduce its trade surplus with the world's top economy to avoid being named a currency manipulator. South Korea sees more U.S. shale imports as a key to narrowing the trade gap and the government is looking at ways to boost spot energy purchases from the U.S.

South Korea's aims underscore how Trump's anti-trade stance has flipped traditional thoughts about trade balances on their head. South Korea's trade surplus with the U.S. was \$23.4 billion in 2016, up from \$11.6 billion in 2011, according to the Korean Ministry of Trade, Industry and Energy. Trump, during the campaign trail, blamed a 2012 trade agreement with South Korea for the loss of about 100,000 U.S. jobs.

South Korea is monitoring whether there's room for making additional spot purchases of U.S. energy exports, a senior official at the trade ministry said this week. The government is sharing information with companies and plans to review the situation once the Trump administration is in place, he said.

"With the forthcoming Trump administration, refiners are getting increasing pressure from the government to buy more crude and gas from the U.S.," Kim Jae Kyung, a research fellow at Korea Energy Economics Institute, said by phone. "There have been on-going discussions regarding raising U.S. energy purchases. Pressure from the government will continue to creep up as time goes and the Korean refiners will have to deal with it."

Currency Watchlist

Korea was listed in the U.S. Treasury Department's currency watchlist last October, along with China, Japan, Germany, Taiwan and Switzerland, for meeting two of the three criteria used to monitor currency practices. The Korea Institute for International Economic Policy warned in a Jan. 4 report that changes to the criteria would bring a "high possibility" of Korea being tagged a manipulator.

To avoid that, South Korea is considering increasing imports of U.S. goods to trim the surplus, Finance Minister Yoo Il-ho said at a Jan. 5 press briefing. The energy sector is one area where it could raise imports, specifically through shipments of U.S. shale gas, he said.

While South Korea is a net exporter to the world, shipping out Hyundai Sonatas, Samsung Galaxies and DVDs of Korean TV dramas, it is energy poor with crude oil and natural gas among its largest import goods by value.

That makes energy a good trade match with the U.S., which is leveraging shale companies' success at fracking into becoming a major energy exporter. Congress in 2015 lifted a 40-year ban against most crude oil exports and companies are spending billions of dollars to turn the U.S. Gulf Coast into one of the top three liquefied natural gas exporters in the world.

Korean Imports

SK E&S Co. Ltd. earlier this month bought South Korea's first shipment of U.S. shale LNG from Cheniere Energy Inc. Korea Gas Corp., the world's biggest commercial buyer, this year is

scheduled to begin importing 2.8 million tons a year of U.S. LNG from Cheniere when it finishes a new production train. That much LNG at current Asian spot values is worth about \$1.2 billion a year.

GS Caltex bought 2 million barrels of the U.S. Eagle Ford crude for delivery in November and December 2016. Other than condensate and Alaskan oil, it was South Korea's first crude purchase from the U.S. after Washington removed the ban on exports. South Korea imported 301,279 tons of crude from the U.S. in 2016.

Because of higher shipping costs, importing U.S. oil is profitable when benchmark West Texas Intermediate is at least \$6 or \$7 a barrel cheaper than the Middle East marker grade Dubai, said Kim Wookyoung, a spokeswoman at SK Innovation Co., South Korea's biggest refiner.

An official with GS said while they seek opportunities to buy U.S. crude, they won't do so if it isn't economical. So far that's the official policy of South Korea's Ministry of Trade, Industry and Energy, too.

The government isn't in a position to push companies to boost imports because they are private enterprises and will make purchasing decisions based on their needs, the ministry official said.

There could be room for U.S. oil shipments as suppliers to Korea including Saudi Arabia, Kuwait, United Arab Emirates and Oman have limited the amount buyers can request as part of a deal between Organization of Petroleum Exporting Countries and non-members to trim output.

—With assistance from Sharon Cho.

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Texas Seeks Review of EPA Visibility Rule

Posted January 19, 2017, 11:29 A.M. ET

By [*Nushin Huq*](#)

EPA's new visibility rule gives federal land managers authority to make Clean Air Act certifications of visibility impairment although the act doesn't grant them that authority, Ken Paxton, Texas attorney general (R), said in announcing a lawsuit filed against the agency ([Texas v. EPA](#), D.C. Cir. App., 1/18/17).

Texas and the state's commission on environmental quality filed a petition to review the Environmental Protection Agency's final rule, "Protection of Visibility: Amendments to Requirement for State Plans." The final rule is arbitrary, capricious, an abuse of discretion or otherwise not in accordance with law, the [lawsuit](#), filed Jan. 18 in the U.S. Court of Appeals for the District of Columbia, said.

The final rule gives states an extra three years to submit the next round of plans for improving visibility in national parks and other protected areas. The plans, due July 2021, would cover state obligations under the second planning period under the regional haze program, which runs from 2018 through 2028.

"This rule is both out of compliance with the law and a clear abuse of discretion by the Obama administration," Paxton said in a [statement](#). "This is yet another midnight attempt by the Obama

administration to grab power that Congress has not given to it.”

Paxton cited the state’s success, aligning with energy companies, in a previous lawsuit targeting the regional haze plan. In that suit, a federal court granted a stay of the EPA’s regional haze plan for Texas (Texas v. EPA, 5th Cir., No. 16-60118, motion 12/19/16).

Flaring-Emissions Math Error Fixed by EPA

Posted January 19, 2017, 03:03 P.M. ET

By [Patrick Ambrosio](#)

A tool used to estimate emissions from flares at refineries and chemical plants was updated to correct a mathematical error, according to the Environmental Protection Agency.

The agency, in a [notice](#) scheduled for publication Jan. 23, announced an update to its emissions factor for refinery emissions of volatile organic compounds, a precursor to the formation of ground-level ozone. Emissions factors are used to estimate pollution released from flaring operations at industrial facilities.

The last update to the emissions factor for flaring at refineries and petrochemical facilities, completed in 2015, included an error in calculating how much pollution is released by flares. Air Alliance Houston and other environmental advocacy organizations sued the EPA soon after and eventually settled the litigation after the agency agreed to again update the emissions factor to correct the error (Air Alliance Houston v. EPA, D.C. Cir., No. 15-1210, 7/10/15).

Company to Cease Manganese Pollution in Ohio

Posted January 19, 2017, 01:09 P.M. ET

By [Sylvia Carignan](#)

S.H. Bell has agreed to stop releasing the neurotoxin manganese, which created a public health hazard in Ohio for years.

An air monitoring station near the company’s East Liverpool, Ohio, facility found the highest concentrations of ambient manganese in the U.S., according to the complaint and consent decree, both filed in U.S. District Court for the Northern District of Ohio Jan. 18.

According to the Agency for Toxic Substances and Disease Registry’s 2010 study, that amount of manganese has been associated with neurological effects in occupational environments and therefore poses a public health hazard.

The Pittsburgh-based company handles, stores and packages materials for other companies that deal in metals, minerals and semi-finished industrial minerals.

In 2016, the ATSDR called for the manganese exposures from S.H. Bell’s East Liverpool site to be mitigated as soon as possible.

The proposed [consent decree](#) calls for S.H. Bell to videotape and create a new tracking system for incoming and outgoing shipments with manganese content that may produce emissions. The EPA

will review the company's tracking system plan.

The company also will take measures to cut down on manganese dust and will install air monitors to measure local manganese levels.

According to a statement from S.H. Bell, there are other facilities in the area that could be sources of manganese emissions, including iron and steel slag producers.

Exposure to elevated manganese in air may lead to manganism, which has symptoms such as difficulty walking, tremors, mood changes and lung inflammation. Childhood exposure to elevated manganese can affect brain development, behavior and memory capacity.

A 2011 EPA study found that East Liverpool residents with long-term, airborne manganese exposure had more hand tremors and memory problems than a control community, though neuropsychological, mood and blood tests found no statistical differences.

S.H. Bell did not admit liability. The proposed consent decree is subject to a public comment period and final court approval.

Former Coal Baron Blankenship's Conviction Upheld on Appeal

Posted January 19, 2017, 02:40 P.M. ET

By Jef Feeley

Former coal baron Donald Blankenship will stay in jail for now after an appeals court upheld his conviction for flouting mine-safety laws.

The self-described "political prisoner" didn't identify any reversible errors in his 2016 trial on charges he ignored safety rules at Massey Energy's Upper Big Branch mine, a federal appeals court said Thursday. The government began probing Massey's operations after a 2010 explosion killed 29 workers at the site.

Blankenship's conviction marked the first time a major energy company's top executive was jailed over a workplace crime. He's serving a year sentence at a minimum-security prison camp in Taft, Calif., and is due to be released May 10, according to the U.S. Bureau of Prisons.

U.S. District Judge Irene Berger properly allowed jurors to find Blankenship guilty of a willful violation of safety laws if they concluded his actions amounted to a "reckless disregard" for those statutes, a three-judge panel of the Richmond, Va.-based appeals court wrote in a 34-page opinion.

William Taylor, Blankenship's lawyer, didn't immediately return a call for comment on the U.S. Fourth Circuit Court of Appeals panel's decision.

The 66-year-old coal executive has argued his criticism of President Barack Obama and his support of Republican political candidates, such as president-elect Donald Trump, made him the target of a politically motivated case over the mine disaster.

Maximum Penalty

Jurors convicted Blankenship of a misdemeanor conspiracy charge of ignoring safety standards at

Massey's operations. The conviction carried a maximum penalty of one year in prison and a \$250,000 fine. The former chief executive officer was cleared of three felony counts, which carried more substantial prison time.

Once one of the most powerful men in West Virginia, Blankenship spent millions backing political candidates friendly to the coal-industry. At the height of his career in 2009, he made more than \$18 million in salary and bonuses. Blankenship stepped down as Massey's top executive with a \$12 million retirement package after the Upper Big Branch blast.

In a booklet written from the minimum-security prison where he's serving time, Blankenship describes himself as an "American political prisoner" who faced a biased jury and an unfriendly judge in the criminal case.

The case is U.S. v. Blankenship, 16-4193, U.S. Court of Appeals for the 4th Circuit (Richmond).

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Canada Updating Status of About 1,500 Chemicals

Posted January 19, 2017, 12:51 P.M. ET

By [Peter Menyas](#)

Canada wants industry data on commercial uses of about 1,500 chemicals to determine whether additional regulation and existing controls are needed.

Companies are required to submit data on their manufacture, import and use of the substances by July 17. Other interested parties, including environmental groups, are invited to submit additional information and comments.

The inventory update is part of the [Chemicals Management Plan](#), which helps set priorities and guide decision-making on regulatory action, the government said in a Jan. 14 notice.

"The scope has been expanded and now considers emerging science, evolving domestic and international programs and the need to keep pace with chemical landscape fluctuations in order to ensure future priorities are reflective of Canada's dynamic market," it said.

Substances are listed in a schedule to the notice, which is divided into four parts. Data is required from companies using substances in Parts I, II or III in quantities greater than 100 kilograms in either the 2014 or 2015 calendar years or substances in Part IV in quantities greater than 100 kilograms in those years in cosmetics, foods or therapeutic or natural health products.

Substances in Part I include carbon disulfide; various forms of benzenedicarboxylic acid; cyclohexane; heptane; various metals such as iridium, osmium, palladium, platinum and rhodium and compounds containing them; Pigment Red 169; paraffin waxes; and alkanes.

Part II substances include various forms of benzothiazole; various phenol compounds; bromine; and various forms of naphthalenesulfonic acid.

Substances in Part III include octadecanoic acid; various silanes various benzene compounds; phenol; propane; butane; octane; ethane; formic acid; barium oxide; manganese chloride; sulfuric

acid; tungsten carbide; formaldehyde; glass oxide; alcohols; and fish oils.

Part IV chemicals include various compounds containing mercury; various phenol compounds; ethanesulfonic acid; zinc phosphide; aluminum magnesium hydroxide; various forms of acetic acid; metals compounds such as bromides and iodides of antimony, iron, radium, lead, zinc, gold and tin; aluminum oxide; dyes such as Basic Blue 22, Basic Red 22 and Direct Blue 199; barium sulfide; chromium potassium oxide; isohexadecane; paraffin and hydrocarbon waxes; various silicones and siloxanes; alcohols; and various petroleum compounds.

The Chemicals Management Plan, launched in 2006, has completed toxicity assessments on 2,765 of the approximately 4,300 chemicals originally identified as priorities for review by 2020, the government said.

Failure to submit required data is subject to penalties ranging from fines to jail terms.

A spokesman for the Chemistry Industry Association of Canada told Bloomberg BNA Jan. 16 that it can't comment on the initiative because companies only recently received notice of the chemicals that are included in the update.

Canada Easing Reporting Requirements on 25 Chemicals

Posted January 19, 2017, 10:18 A.M. ET

By [Peter Menyasz](#)

Canada proposed easing new-use reporting requirements for 25 chemicals that are in limited use in the country.

The substances are methyl eugenol; diethyl sulfate; dimethyl sulfate; potassium bromate; n-BGE; TGOPE; methyloxirane; epichlorohydrin; benzyl chloride; hydroquinone; ethyloxirane; thiourea; 2-EAA; Pigment Red 3; Michler's ketone; TCEP; 2-nitropropane; MAPBAP acetate; phenoxymethyl oxirane; Solvent Blue 4; phenyl-D4; DTBSBP; 1-(2-hydroxyethyl)-2-pyrrolidinone; and vanadium pentoxide.

The government also proposed ending all reporting requirements for new uses of two industrial chemicals—FAZ and MDnM-hydride—that aren't currently used in Canada.

The plan to amend reporting requirements imposed under Section 87(3) of the Canadian Environmental Protection Act came in a [notice](#) published Jan. 14 in the Canada Gazette, Part I.

In a separate notice, the government also [proposed](#) easing reporting requirements for a clarified oils (petroleum), catalytic cracked, reaction products with cresol and poly-methylene polyphenylene isocyanate. The substance is a byproduct of the production of gasoline.

It recommended that reporting for that substance be required only for new uses in consumer products and for uses of the substances in quantities greater than 10 kilograms per calendar year.

The notices are open to public comment through March 15. Final notices making the changes to reporting requirements official will be published, likely later this year, in the Canada Gazette, Part II.

Germany, Sweden Plan \$636 Million Green Power-Line Project

Posted January 19, 2017, 12:58 P.M. ET

By Brian Parkin

German grid builder 50Hertz Transmission GmbH and Swedish utility Svenska Kraftnat are planning an undersea power cable that will transfer green energy between the countries.

The 600 million-euro (\$636 million) Hansa Powerbridge, a 300-kilometer (186-mile) transmission line, will be completed by about 2026, the companies said Jan. 19 in Berlin. The cable will transfer hydropower from Sweden when wind and solar generation ebb in northern Germany and reverse the flow when there's a surplus of intermittent energy.

This project is "all about trading power and about power-supply security," Svenska Kraftnat's Chief Executive Officer Mikael Odenberg told reporters in Berlin, where the contract was signed. "Traditionally, we Swedes have been skeptical about exporting our cheap hydropower only to upload expensive imported electricity. That's changed."

Division of Revenue

Hansa Powerbridge is designed to create a fair and realistic division of revenue for both countries and avert the uncontrolled surges of German wind power across borders that fomented diplomatic rows with Poland, the Czech Republic and Austria last year. About 51 percent of Hansa's planned power transmission will comprise Swedish hydropower, said Odenberg.

Grid operators from Germany, Belgium, Spain, France, Switzerland, the Netherlands and Italy this month signed a pledge to iron out national restrictions on power imports that exacerbate blackout risks. Better coordination is needed on "critical days" when the supply-demand balance in different countries comes under strain, according to the joint resolution.

The 700-megawatt Hansa cable will employ a high-voltage, direct current system—dubbed HVDC—that allows direct current power transmission between alternating current systems in Sweden and Germany that aren't synchronized, the companies said. The technology will permit precision control of power flows.

Hansa Powerbridge is the second green power cable in the making that will link Germany to Scandinavia. Grid operators TenneT Holding BV and Statnett SF and German development bank KfW Group joined forces last year to start building the 2 billion-euro Nordlink cable, which will allow excess electricity from wind farms in Germany to be stored for future use in hydroelectric dams in Norway, starting in 2020.

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Brazil Recycles One-Third of Waste, Losing \$37.4 Billion Annually

Posted January 19, 2017, 03:41 P.M. ET

By [Michael Kepp](#)

Brazil recycles only 33 percent of the 80 million metric tons of recyclable solid waste it generates annually, causing its economy to lose 120 billion reais (\$37.4 billion), a sustainability specialist told

Bloomberg BNA Jan. 17.

“Most municipalities are not complying with a 2010 solid waste management law that requires them to recycle 100 percent of the recyclable waste they collect. This, together with a lack of recycling accords by various industrial sectors required by that law, are partly responsible for the low percentage of recyclable waste that Brazil recycles,” said Paulo Da Pieve, a sustainability specialist for Abimaq, the Brazilian association of machinery and equipment producers.

The government has made recycling financially unviable by overtaxing recyclable products, he said. For example, new paper business cards are cheaper than those that are printed on recycled paper.

“Besides the original tax on products that can be recycled, there is a tax to transport them to recyclers, a tax to recycle them, and numerous federal and state sales taxes put on the recycled product,” said Da Pieve.

“To make recycling financially viable the government needs to offer recyclers tax breaks, low-cost financing and other incentives, like those provided by many European countries where product recycling is government subsidized,” he said. “This explains why Germany, the top-ranked recycling country, recycles over 95 percent of its recyclable products.”

In addition, Brazil’s crumbling infrastructure system, which relies on roads in need of repair, and not railways, to transport recyclables, faces increasing transportation and recycling costs, according to Da Pieve.

Disparate Systems

Brazil’s industrial sectors have approved only two accords since 2010, which require producers and importers to collect and recycle plastic automotive lubricating oil bottles, as well as mercury and other materials from discarded fluorescent, sodium-vapor and mercury-vapor lamps.

Other recycling accords, covering discarded tires and used batteries and pesticide packaging, those covering pharmaceuticals, large appliances, and electronic goods such as computers and mobile phones, have not been finalized, said Da Pieve.

By contrast, aluminum producers and recyclers set up a collection system for recycling more than 95 percent of Brazil’s aluminum beverage cans, Cempre, a private recycling search group, told Bloomberg BNA.

“Brazil recycles nearly all of the discarded aluminum beverage cans it produces because recyclers pay independent trash scavengers well for each can collected and because, due to high electricity costs incurred by electricity-intensive aluminum producers, they find it cheaper to recycle aluminum beverage cans than to make new ones by smelting more aluminum,” said Da Pieve.

He added that “because of the falling price of oil on the global market, new oil-based plastic packaging, like PET beverage bottles, and other plasticized goods, from the plastic insulating electrical wires to plastic auto parts, are as cheap or cheaper to produce than recycling plastic to make them. So, much of this recyclable plastic isn’t recycled.”

Only 60 percent of PET bottles are recycled, Cempre told Bloomberg BNA.

Brazil Fines Fertilizer Arm of Vale S.A. After Explosion, Fire

Posted January 19, 2017, 12:29 P.M. ET

By [Michael Kepp](#)

Brazilian authorities Jan. 18 fined Vale Fertilizantes, a subsidiary of Vale S.A., 8 million reais (\$2.5 million) for a fire at a fertilizer plant in the southeastern city of Cubatao.

A Jan. 5 explosion and fire set ablaze 10,000 metric tons of ammonium nitrate at the plant, Cetesb, the Sao Paulo state environmental enforcement agency, said in announcing the fine.

A toxic cloud from the fire forced the evacuation of 150 residents living near the plant, and sickened some firefighters, who suffered respiratory tract problems from inhaling the gaseous ammonium nitrate, authorities said. The released chemicals also polluted the Mogi River.

Cetesb suspended the operating license for the plant until it is rebuilt and the area surrounding it is recovered.

Vale, one of the world's biggest iron ore producers and exporters, "is evaluating whether to question the size of the fine or the Cetesb demands," the company said in a Jan. 18 statement.

German Offshore Wind Costs to Plunge in Auctions, Industry Says

Posted January 19, 2017, 11:11 A.M. ET

By [Brian Parkin](#)

The price of German offshore wind power is set to plunge once auctions begin in the second quarter, but is unlikely to dip below records set in Denmark and the Netherlands, according to the industry.

Once auctions to build new capacity begin, German offshore wind prices will fall "massively" below the average 11 to 13 euro cents (12 to 14 U.S. cents) a kilowatt-hour paid currently by guaranteed tariffs, according to Martin Skiba, a board member of the [Offshore Wind Energy Foundation](#). Europe's biggest power consumer is expected to tender 1.55 gigawatts in its first offshore wind auction in April.

"Expect a big drop in prices but one that falls short of what we saw in the Netherlands and Denmark," Skiba told reporters Jan. 19. German auctions are tied to a fearsome planning bureaucracy and its associated costs, he said, adding that prices will be capped at 12 euro cents a kilowatt-hour.

Offshore wind prices have plunged in the past year, prompting some analysts to warn developers against a race to the bottom. Bigger turbines each capable of generating 8 megawatts of power and larger wind parks set up closer to shore have been behind the fall.

Germany Climbing

Dong Energy A/S won a contract in July to build two wind farms off the coast of the Netherlands for 7.27 euro cents a kilowatt-hour (7.7 U.S. cents). That record low was beaten in September 2016 by Vattenfall when it won a bid in Denmark for 6 euro cents a kilowatt hour. Last December, another consortium that included Vattenfall won contracts to build two more Dutch wind farms for 5.45 euro cents a kilowatt-hour.

Energie Baden-Wuerttemberg AG lost out to Vattenfall in the Kriegers Flak tender in December with a bid that Chief Financial Officer Thomas Kusterer called “very, very sporting to say the least.”

Higher German prices also will reflect the added costs of building seaborne substations to connect turbines, costs that were excluded in the Danish and Netherlands auctions, according to Skiba. He declined to speculate on a likely winning range for bids.

Germany’s offshore auction volume this and next year will add as much as 3.1 gigawatts spread across about 20 mostly deep-sea sites. The sales cover projects that will run after 2021. Current developments commissioned to 2020 will still qualify for guaranteed feed-in-tariffs.

The nation added 818 megawatts of installed offshore capacity last year compared with 2.2 gigawatts in 2015, the foundation said. About 1.4 gigawatts may be added this year and 1 gigawatts in 2018 and 2019, they said. Last year’s tally meant Germany installed 4.1 gigawatts in all, enough to power about 3 million homes.

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VW Expects China Approval for Electric-Car Venture

Posted January 19, 2017, 10:59 A.M. ET

By [Yan Zhang](#)

Volkswagen AG expects to get final approval from China’s government for a partnership with Anhui Jianghuai Automobile Co. in the first half of this year as the German automaker looks to widen its offering of electric vehicles in the world’s biggest auto market.

The automaker expects to produce the first car with Jianghuai in 2018, Jochem Heizmann, Volkswagen’s China chief, said at a Jan. 19 briefing in Beijing. Volkswagen has made progress on its electric vehicle joint venture and seeks to obtain approvals both from the Chinese government and its own supervisory board, he said.

Volkswagen, which has passenger-vehicle ventures with SAIC Motor Corp. and China FAW Group, is looking to expand its footprint in a market that surpassed the U.S. in 2015 to become the world’s biggest for so-called new-energy vehicles. It will be competing with other traditional automakers and a bevy of startups as China targets to boosting yearly sales of plug-in hybrids and fully electric cars 10-fold in the next decade.

The automaker plans to have new-energy vehicles ranging from small to big cars across various price segments, Heizmann said. Volkswagen, which signed a memorandum of understanding with Jianghuai in September 2016, plans to sell 1.5 million such vehicles by 2025 in China, he said.

“I don’t know any company other than us that has made such strong commitments,” Heizmann said.

Meeting Stringent Standards

Boosting electric-vehicles sales in China would help Volkswagen meet stringent emissions and fuel-economy standards, as well as sell a minimum quota of eco-friendly cars in a market where sales of oil-guzzling sport utility vehicles are rising rapidly. The German automaker said last November that it will target to sell as many as 400,000 new-energy vehicles by 2020.

Volkswagen and its Chinese ventures plan to keep investment steady at 4 billion euros (\$4.2 billion)

this year, said Heizmann. The auto giant, which also sells Audi cars in China, expects industrywide auto sales to grow at a slower 5 percent pace this year. [Volkswagen's](#) deliveries in China and Hong Kong climbed 12 percent to 3.98 million vehicles last year.

Volkswagen will postpone plans to form a new partnership with SAIC to manufacture Audi-brand vehicles after strengthening the current partnership with FAW and solve a dispute with Audi dealers, said Heizmann.

Dealers of Audi last month dropped their threat to stop sales of the luxury brand after Volkswagen unveiled attempts to form the partnership with SAIC. The dealers, who have struggled financially the past two years, are concerned a rival sales network would hit their profitability further.

Audi's management team and FAW-Volkswagen are working on a compensation plan with the dealers, Heizmann said, without providing details.

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Africa Clean-Power Push May Ease EU Migrant Crisis

Posted January 19, 2017, 9:59 A.M. ET

By Jesse Riseborough and Jessica Shankleman

A boom in African clean-power investment could help curb the influx of migrants into Europe blamed for the rise in populism and the U.K.'s decision to quit the European Union, said Guinean President Alpha Conde.

The best way for European governments to keep young Africans at home is to invest in renewable energy, which will create jobs and boost access to power, the 78-year-old said through a translator in a Jan.18 interview in Davos, Switzerland.

"The big challenge for the EU is really immigration," said Conde, who also heads the [African Renewable Energy Initiative](#). "How can we keep our population in our countries if we don't have development?"

A surge in immigration to Europe from places like Africa and Syria has been blamed for the rise of populist parties such as the U.K. Independence Party and France's National Front. Their leaders also question the scientific consensus of anthropogenic climate change, criticize foreign aid and taxpayer support for renewable energy.

Boosting help for clean power in Africa could actually reduce immigration, said Conde.

The African Development Bank estimates that there are 620 million people living without access to electricity on the continent. Between 2015 and 2050, the region will account for more than half the world's population growth, according to the United Nations.

European Interest

"Apart from the growth of populism, I have high hopes because of what we've accomplished ourselves," Conde said. "Because today Europe has as a big interest in us. Why? Immigration."

France has committed to fund 2 billion euros (\$2.13 billion) of renewable projects in Africa through 2020, a 50 percent increase on the previous five years. The African Renewable Energy Initiative, under the mandate of the 54-member African Union, was started in 2015 and is targeting \$20 billion

of investment to develop at least 10 gigawatts of power by 2020.

Private investors are also tapping into African renewable energy opportunities. The Rockefeller Brothers Fund invested in the Lekela Power platform—a joint venture between Mainstream Renewable Power Ltd. and Actis LLP that plans to install more than 1.3 gigawatts of renewable electricity across Africa by 2018.

As the U.K. prepares to exit the EU, Conde said he is seeking talks with the British government to ensure its commitment to financing African projects.

Climate Finance

The African Development Bank turned its focus to energy this year and is funding both conventional and renewable power plants. It said it will triple its financing of climate action projects to \$5 billion annually by 2020.

“The big companies should understand that energizing Africa is a big opportunity for them,” Conde said, adding that power could potentially be exported from the continent in the future. “Africa will be a big market and also we will be a factory to export electricity.”

In Guinea, home to 12 million people, Conde has focused on the development of hydropower with the backing of Chinese enterprise but it also is seeking investment in solar energy. Data from the World Bank shows that only a quarter of Guineans have access to the national grid.

China International Water & Electric Corp. is building the \$2 billion Souapiti dam in the country which will supply 550 megawatts. It's CWE's second Guinean project after it completed the 240-megawatt Kaleta Dam in 2015. The nation also opened a tender for a 300-megawatt facility, Conde said.

Development of these projects will allow Guinea to export power to neighbors such as Mali, Senegal and Guinea-Bissau, he said.

The U.S. is the richest of the major emitters of greenhouse gases and has promised \$3 billion to a United Nations Green Climate Fund, a linchpin in the UN effort to help poorer countries cope with climate change.

President-elect Donald Trump has vowed to cancel future payments to the fund and redirect them toward projects in the U.S. On Jan. 17, three days before leaving office, President Barack Obama made a \$500 million contribution to it, taking the total given to \$1 billion.

—With assistance from Tariq Panja.

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China Signals It May Aim Lower on Cleaner-Burning Fuel Target

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By Aibing Guo

China has given itself some wiggle room on its target to replace coal with natural gas by introducing a lower range for the share of its energy it expects to be met by the cleaner-burning fuel.

Natural gas will account for 8.3 percent to 10 percent of the country's total energy consumption by

2020, economic planner National Development and Reform Commission said in a five-year plan posted on its [website](#) Jan. 19. The lower target, not included in a similar goal published last month, tempers the country's ambitions to boost the share of natural gas from 5.9 percent in 2015.

The world's biggest energy user is seeking to shift from coal to the cleaner burning fuel to tackle pollution. Coal use is expected to fall to about 58 percent by 2020 from 64 percent, but it will still remain the country's dominant energy source.

The earlier published gas target of as high as 10 percent "will be quite a stretch," former deputy director of National Energy Administration Zhang Yuqing said in an interview this month. That goal would mean consumption will have to rise to 350 billion cubic meters by 2020, which means more than 20 cubic meters of growth a year on average, he said.

China's natural gas consumption growth slowed to single digits last year to 210 billion cubic meters, Zhang said. From 2011 to 2015, the country's gas use grew at an annual rate of about 12 percent.

Supply Capacity

The country's total natural gas supply capacity will reach 360 billion cubic meters by 2020, according to the document published Jan. 19. Total underground gas storage capacity will jump by 22 percent a year to 15 billion cubic meters from 5.5 billion cubic meters in 2015, according to the plan.

The plan also set an output target of 207 billion cubic meters a year by 2020 compared with a projection of 220 billion cubic meters in the NDRC's energy industry five-year plan, published earlier this week.

The natural gas output target includes 120 billion cubic meters from conventional gas, 37 billion cubic meters from tight gas, 30 billion cubic meters from shale gas and 10 billion cubic meters from coal-bed methane, according to the plan. China will lay 40,000 kilometers (24,860 miles) of new gas pipelines, taking the country's total to 104,000 kilometers by 2020.

—With assistance from Sarah Chen.

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For First Time in Two Decades, Japan Reviews Hazardous Waste Laws

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By [Toshio Aritake](#)

For the first time since the Basel Convention entered into force more than two decades ago, Japan is reviewing its domestic structures for managing hazardous waste disposal.

The Japanese Ministry of Economy, Trade and Industry and the Ministry of the Environment recently released a draft joint report for revising domestic laws and regulations relating to the Japanese Basel law for making it more current with transboundary flows of waste.

The ministries wrote: "Problems that were not envisioned at the time of the Japanese law's enforcement, in 1992, emerged corresponding to increasing cross-border transactions, especially end-of-use lead batteries and mixed product waste from Japan, which ... may pose environmental contamination" in host countries.

And the Tokyo-based United Nations University and Japan's Ministry of the Environment released a separate [report](#) Jan. 15 on electronic waste that said the volume of discarded electronics in East and Southeast Asia between 2010 and 2015 soared 63 percent to 12.3 million tons. China alone was responsible for 6.7 million tons, up 107 percent. The report was the first of its kind for the region, the UN said.

All countries in the region are observing the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, but enforcement remains a "significant challenge," that report said.

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